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INFORMATION REPORT

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THIS IS UNEVALUATED INFORMATION

Matzen and Aderklaa

1. Eight new drill rigs which SMV Headquarters recently imported from the USSR at a cost of 5,000,000 schillings apiece have arrived at the Matzen oilfields. Six of these rigs are scheduled for transfer to Aderklaa. the Soviets during the past two years have increased the output of Matzen and Aderklaa oilfields as much as 450 or 500 percent. (1) 25X1

Zistersdorf

2. The SMV is now operating the DEA I and DEA II fields as a single enterprise known as the DEA-Neusiedl drilling area. (2) During the past six weeks SMV engineers have erected several new drill rigs in this area and have started exploratory drillings. the Muehlberg, Neusiedl, Zistersdorf, Rannersdorf and E.P. Goesting oilfields are now producing only one third of their combined output of 1948. 25X1

Sulfuric Acid Allocations

3. The following figures represent the total amount of sulfuric acid which Donau-Chemie A.G. delivered to Soviet-controlled refineries during the month of November 1950: 25X1

Refinery	No. of Kilograms of Sulfuric Acid	
Korneuburg	37,010	25X1
Kledering	59,040	
Moosbierbaum	56,030	25X1
Nova Denow	57,940	
Voesendorf	32,690	
Vacuum Oil Company	14,700	25X1

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Aside from these sulfuric acid deliveries, the Shell refinery received one carload of oleum, weighing a total of 15,750 kilograms, and the Okeros-Stockerau refinery, 2,020 kilograms of oleum.

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4. Pipe Shipments

SMV officials are still concerned over the shortage of oil well pipe. The SMV Central warehouse in Neusiedl a/d Zaya received one carload of pipe, weighing a total of 17,160 kilograms, from Sartana sometime during the week of 20 November 1950.

SMV Scrap

5. Once again the Soviets have launched a program to collect scrap metal from all SMV installations. According to SMV employees, the Soviets' current emphasis on scrap procurement is due to the fact that satellite customers are now paying as much as three schillings per kilogram for scrap metal which formerly sold for only 0.30 schillings. Most eastbound scrap shipments from the SMV are destined for Hungary. At the moment the Kumpel-Siebenhirten workshop is preparing to deliver about 500 tons of scrap metal to Wiener-Neudorf for shipment to Hungary. SMV officials in charge of scrap collection have issued orders that this scrap must be carefully pre-sorted according to size and type of metal. Strategic metals including tombac, bronze, and tin are shipped directly to the USSR, whereas some of the less important metals are sold to Czechoslovakia. Since there is apparently no market for scrap rubber in the satellites at the present time, the SMV is now offering this item to Austrian scrap dealers for 0.25 schillings per kilogram.

SMV Purchases

6. The combined value of the turnover at the SMV Central Warehouse, Neusiedl a/d Zaya, and the SMV's Lobau warehouse for the month of November 1950 amounted to 42,000,000 schillings.
7. Between 20 and 29 November 1950 the SMV Purchasing Office paid cash for purchases from the following suppliers. All USIA-controlled firms in this list have been noted by an asterisk. [redacted]

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<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
* Feudloff-Vamag A.G.	Slide valves	111,048.00
[redacted]		
* Kloeckner-Humboldt-Deutz A.G.	Repairs on one gasoline motor	55,286.80
[redacted]		
* Hydroxygen-G.m.b.H.	Oxygen and gas	262.50
* Henhapel-Heine, Eisen-u. Eisenwarengrosshdlg. A.G.	Tools	1,443.52
* H. Megerle	Lacquers and dyes	2,691.40
[redacted]		

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FirmItem PurchasedAmount in Schillings

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* Steyr-Daimler-Puch A.G.	Automobile repairs	1,120.80
* Donau-Chemie A.G. (12)	Payment on account for sulfuric acid	230,000.00

3. The SMV Purchasing Office disbursed the following expenditures during the  
period from 30 November to 4 December 1960:

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* Franz Schmitt, A.G. für Lederindustrie, Rehberg bei Krems, Lower Austria	Shoes	119,727.84
* Hydroxygen-G.m.b.H.	Oxygen	5,397.95
* Wiener Kabel- u. Metallwerke A.G.	Cable	10,734.20
* St. Egydyer Eisen- u. Stahl- industrie G.m.b.H.	Cable	1,103.00
* Carl Budischofsky & Sohne A.G.	Fan belts	4,469.00
* W. Megerle	Lacquer	9,321.09
* Hanhappel-Heine, Eisen- u. Eisenwarengrosshdlg. A.G.	Tools	3,460.70
USIA	Gas pipe	9,615.94
* Wiener Werkzeug- u. Werkzeug- maschinenfabrik Ing. Frank & Co.	Tools	1,272.00

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Firm

Item Purchased

Amount in Schillings

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Boehler Gebr. &amp; Co. A.G.

Steel

1,757.80

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Personnel

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9 Frolov, formerly a deputy director of the SMV Purchasing Office, has been appointed General Director of USIA's Buildings, Estates, and Real Estate Administration which has headquarters at Vienna IV, Stalinplatz 10. Frolov held the rank of lieutenant general during the war. He is described as an extremely capable executive.

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(1) Comment: Another source reports that the total amount of crude oil pumped from SMV oil wells now varies from 100,000 to 120,000 metric tons per month.

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(2) Comment: Another source reported that the SMV combined the DEA I and DEA II fields on 1 October 1950.

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(3) Comment: This supplier cannot be accurately identified from available reference material.

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(4) Comment: These chains will be fitted to drill rigs which the SMV recently received from the USSR; see paragraph one.

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(5) Comment: Possibly the USIA-controlled Wiener Kabel- u. Metallwerke.

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- (15)  Comment: Feuchtinger, chief purchasing agent of the SMV Purchasing Office, claims that Mannesmann-Trauzl's prices are 33 to 70 percent higher than those of other manufacturers. He has therefore issued a directive forbidding any SMV installation to order equipment from Mannesmann-Trauzl except priority items which cannot be procured from another supplier.

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